

- (1) An admission of all jurisdictional facts.
- (2) An admission of agreed-upon allegations.
- (3) A statement of the law violated.
- (4) A finding of violation.
- (5) An express waiver of the right to further procedural steps and of all rights to administrative and judicial review.

**§ 1503.425 Compromise orders.**

(a) *Issuance.* At any time before the issuance of an Order Assessing Civil Penalty under this subpart, an agency attorney and a person subject to a Notice of Proposed Civil Penalty, or an agency official and a person subject to a Notice of Violation, may agree to dispose of the case by the issuance of a compromise order by TSA.

(b) *Contents.* A compromise order contains the following:

- (1) All jurisdictional facts.
- (2) All allegations.
- (3) A statement that the person agrees to pay the civil penalty specified.
- (4) A statement that TSA makes no finding of a violation.
- (5) A statement that the compromise order will not be used as evidence of a prior violation in any subsequent civil penalty proceeding.

**§ 1503.427 Request for a formal hearing.**

(a) *General.* Any respondent may request a formal hearing, pursuant to § 1503.413(c)(3) or § 1503.421(c)(3), to be conducted in accordance with the procedures in subpart G of this part. The filing of a request for a formal hearing does not guarantee a person an opportunity to appear before an ALJ in person, because the ALJ may issue an initial decision or dispositive order resolving the case prior to the commencement of the formal hearing.

(b) *Form.* The person submitting a request for hearing must date and sign the request, and must include his or her current address. The request for hearing must be typewritten or legibly handwritten.

(c) *Submission of request.* A person requesting a hearing must file a written request for a hearing with the Enforcement Docket Clerk in accordance with

§ 1503.429 and must serve a copy of the request on the agency attorney or other agency official who issued the Notice of Proposed Civil Penalty, or Notice of Violation, as applicable, and any other party, in accordance with § 1503.429.

**§ 1503.429 Filing of documents with the Enforcement Docket Clerk.**

(a) *General.* This section governs filing of documents with the Enforcement Docket Clerk when required under this part.

(b) *Type of service.* A person must file a document with the Enforcement Docket Clerk by delivering two copies of the document as follows:

(1) By personal delivery or mail, to United States Coast Guard (USCG) ALJ Docketing Center, ATTN: Enforcement Docket Clerk, at the address specified in § 1503.413(c)(3).

(2) By electronic mail, to *ALJdocket@ALJBalt.USCG.MIL*. If this e-mail address changes, TSA will provide notice of the change by notice in the FEDERAL REGISTER.

(3) By facsimile transmission, to 410-962-1746. If this number changes, TSA will provide notice of the change by notice in the FEDERAL REGISTER.

(c) *Contents.* Unless otherwise specified in this part, each document must contain a short, plain statement of the facts supporting the person's position and a brief statement of the action requested in the document. Each document must be typewritten or legibly handwritten.

(d) *Date of filing.* The date of filing will be as follows:

- (1) The date of personal delivery.
- (2) If mailed, the mailing date stated on the certificate of service, the date shown on the postmark if there is no certificate of service, or other mailing date shown by other evidence if there is no certificate of service or postmark.
- (3) If sent by electronic mail or facsimile transmission, the date of transmission.

(e) *Service of documents filed with the Enforcement Docket.* A person must serve a copy of any document filed with the Enforcement Docket on each party and the ALJ or the chief ALJ if no judge has been assigned to the proceeding at the time of filing. Service

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on a party's attorney of record or a party's designated representative is service on the party.

### § 1503.431 Certification of documents.

(a) *General.* This section governs each document tendered for filing with the Enforcement Docket Clerk under this part.

(b) *Signature required.* The attorney of record, the party, or the party's representative must sign each document tendered for filing with the Enforcement Docket Clerk, or served on the ALJ, the TSA decision maker on appeal, or each party.

(c) *Effect of signing a document.* By signing a document, the attorney of record, the party, or the party's representative certifies that he or she has read the document and, based on reasonable inquiry and to the best of that person's knowledge, information, and belief, the document is—

(1) Consistent with the rules in this part;

(2) Warranted by existing law or that a good faith and nonfrivolous argument exists for extension, modification, or reversal of existing law;

(3) Not unreasonable or unduly burdensome or expensive, not made to harass any person, not made to cause unnecessary delay, not made to cause needless increase in the cost of the proceedings, or for any other improper purpose; and

(4) Supported by evidence, and any denials of factual contentions are warranted on the evidence.

(d) *Sanctions.* On motion of a party, if the ALJ or TSA decision maker finds that any attorney of record, the party, or the party's representative has signed a document in violation of this section, the ALJ or the TSA decision maker, as appropriate, will do the following:

(1) Strike the pleading signed in violation of this section.

(2) Strike the request for discovery or the discovery response signed in violation of this section and preclude further discovery by the party.

(3) Deny the motion or request signed in violation of this section.

(4) Exclude the document signed in violation of this section from the record.

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(5) Dismiss the interlocutory appeal and preclude further appeal on that issue by the party who filed the appeal until an initial decision has been entered on the record.

(6) Dismiss the appeal of the ALJ's initial decision to the TSA decision maker.

### Subpart F [Reserved]

### Subpart G—Rules of Practice in TSA Civil Penalty Actions

#### § 1503.601 Applicability.

(a) This subpart applies to a civil penalty action in which the requirements of paragraphs (a)(1) through (a)(3) of this section are satisfied.

(1) There is an alleged violation of a TSA requirement.

(2) The amount in controversy does not exceed—

(i) \$50,000 if the violation was committed by an individual or a small business concern;

(ii) \$400,000 if the violation was committed by any other person.

(3) The person charged with the violation has requested a hearing in accordance with § 1503.427 of this part.

(b) This subpart does not apply to the adjudication of the validity of any TSA rule or other requirement under the U.S. Constitution, the Administrative Procedure Act, or any other law.

#### § 1503.603 Separation of functions.

(a) Civil penalty proceedings, including hearings, will be prosecuted only by an agency attorney, except to the extent another agency official is permitted to issue and prosecute civil penalties under § 1503.421 of this part.

(b) An agency employee engaged in the performance of investigative or prosecutorial functions in a civil penalty action must not, in that case or a factually related case, participate or give advice in a decision by the ALJ or by the TSA decision maker on appeal, except as counsel or a witness in the public proceedings.

(c) The Chief Counsel or an agency attorney not covered by paragraph (b)